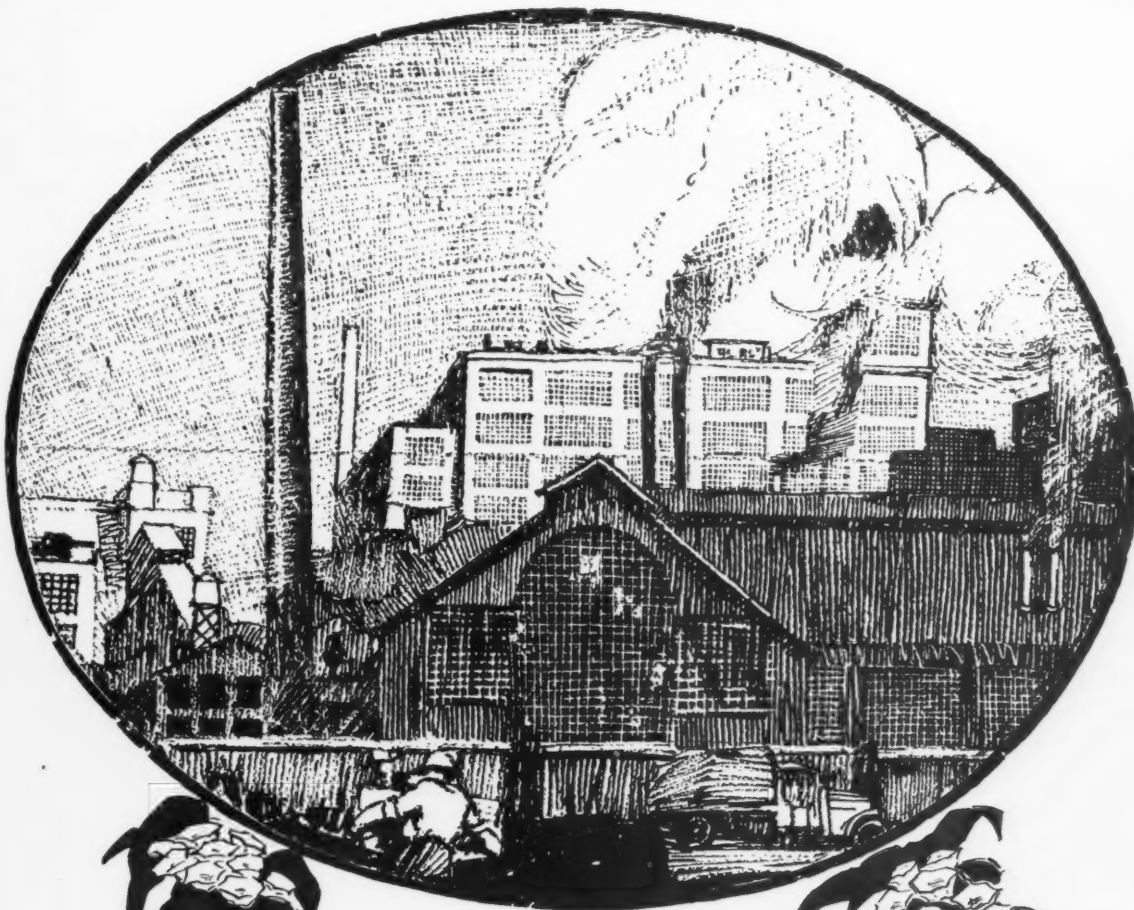


MARCH



CONNECTICUT INDUSTRY

PUBLISHED BY

The Manufacturers Association of Connecticut, Inc.

1925

OUR organization
will utilize the
coming issues of this
publication to briefly
present subjects of
current interest.

Hadfield, Rothwell & Soule

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CONNECTICUT INDUSTRY

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POLLUTION OF STREAMS LEGISLATION

The Manufacturers Association of Connecticut went on record years ago in favor of legislation which would have the effect of correcting existing pollution evils. At the 1923 session of the Connecticut General Assembly it supported a bill recommended by the Commission to Investigate the Pollution of Streams, created by the 1921 session of the Assembly. During the present session the Association has introduced a bill which it believes contains all the important stipulations which are necessary to bring about the desired results. This bill recognizes that there are four types of violators, industry, the state, the municipality, and the individual. Further, the Association has stood and will continue to stand upon the principle that eliminatable pollution should cease and that all violators should be held responsible.

The Association is not committed to the bill which it has introduced. It will support any legislation which recognizes the four classes of violators and which also recognizes the fact that all types of pollution are not capable of elimination. It is the earnest desire of the Association that the 1925 session of the Connecticut General Assembly shall enact into law a measure which will react to the benefit of all the people of the state.

In this case, as in all cases, the Association is opposed to class legislation.

Edmund Howard

THE PROPOSED SUBSTITUTE FOR THE PERSONAL PROPERTY TAX

By

FRED R. FAIRCHILD, Yale University, Taxation Advisor to the Association

There is now pending before the Legislature a bill to impose a tax upon the gross income of manufacturers, merchants, and traders in lieu of the existing ad-valorem tax upon the personal property employed in the conduct of such businesses. The bill is at present only in skeleton form, but it is understood that it will later be redrafted in order to carry out the ideas of the Tax Commissioner, which he presented in a general way in his article in the January number of *Connecticut Industry*. Even with this article before one, it is evident that many essential details of the proposal have not been worked out. In commenting upon Mr. Blodgett's plan, I shall therefore take the liberty of making what I consider reasonable assumptions at various points where the plan as thus far announced is silent, while recognizing fully that my assumptions may not all be in agreement with what Mr. Blodgett now has or may later have in mind, for it is quite obvious that so far-reaching a plan as this will require much patient expert thought before it is worked out and perfected in all its details.

Just what taxpayers are to be included in the application of the proposed law is not clear. It is to be presumed, however, that it will apply, first, to the general group of manufacturing and mercantile corporations known as "miscellaneous corporations"; i. e., all those which are now subject to the two per cent state tax on net income. That it will also apply to all unincorporated manufacturing and mercantile enterprises, which are subject to the present state tax on gross income, is likewise a fair assumption. Whether it will apply also to the local public utilities; i. e., water, gas, electric and power companies, which are now taxed by the state upon their gross income, is not clear. I should suppose that

these companies would be included. If the legislature is to do away with the ad-valorem tax upon personal property employed in business, it would appear to be the course of wisdom to go the whole length and take in practically all business enter-

prises which are now taxed upon personal property. The bill evidently is not intended to apply to the public service corporations (railroad, street railway, telephone, telegraph, express and car companies) or to the financial corporations (banks, savings banks, and insurance companies), since these corporations are not now subject to the local property tax upon their personal property. I shall assume, therefore, that the bill applies to (1) miscellaneous corporations, (2) unincorporated manufacturing and mercantile enterprises, and (3) local public utility corporations.

THE attention of all members is particularly directed to this article by Professor Fairchild.

THE necessity of immediate and careful consideration by all manufacturers of the possible effect of such changes in the tax laws as have been suggested by Commissioner Blodgett, is of paramount importance and the Association's Committee on Finance and Taxation invite the suggestions of members.

The real heart of any tax measure is the rate. All that the bill vouchsafes us on this point is the comforting assurance that there is to be a gross income tax at "a low rate". Now human nature is of such frailty that the possibility of a dispute over what is "a low rate" of taxation is not inconceivable. Fortunately Mr. Blodgett has made his position quite clear, in his article in *Connecticut Industry* in these words: "It should be understood that this is not an additional tax. It is not intended that any additional tax burden will be imposed. It is intended to relieve local taxing officials from duties which here or elsewhere they have been unable to perform." The problem of the rate resolves itself into the discovery of that rate which, applied to the gross income (or perhaps gross sales) of the taxpayers concerned, will yield approximately the same revenue as is now obtained by the towns of the state from the ad-valorem tax upon the personal property of

such taxpayers. To solve this problem is by no means an impossible task, and I am now engaged upon an investigation which, when completed, will I believe enable us to determine the required average rate with a fair degree of accuracy.

In connection with the rate there arises, however, an important question of policy. Shall the rate be uniform for the whole state, as appears to be the intent of the present bill, or shall each town be given authority to fix its own rate as it now fixes the rate of the property tax. A moment's consideration will convince us that we are here confronted with a dilemma, either horn of which threatens serious consequences.

Consider the first alternative and, in order to make the situation clear, let us set up a hypothetical case with assumed figures. Let it be assumed that investigation has determined that, taking the state as a whole, a tax on gross income at the rate of 3/10 of one per cent would yield about the same revenue as is now being obtained by the towns from the tax on the personal property of business enterprises. That rate would presumably be put in the statute to be applied to the whole state. Now let us suppose that two selected towns find themselves in the condition indicated by the following statement.

	Town A	Town B
Personal property exempted	\$10,000,000	\$10,000,000
Town tax rate	30 mills	15 mills
Tax revenue sacrificed	\$300,000	\$150,000
Gross income taxable	\$70,000,000	\$70,000,000
Gross income tax @ .3%	\$210,000	\$210,000

It is evident that the business interests of these two towns will now be taxed on an equality, whereas formerly those in town A were taxed twice as heavily as those in town B. This may at first sight appear a desirable result. It will certainly appear so to the business interests of town A, though it may be doubted if those of town B will look upon the result with equal satisfaction. And it is also likely that the other taxpayers of town B will be far from pleased on finding themselves called upon to submit to a higher property tax rate in order to make up the \$90,000 lost through the change in the method of taxing business property. The fact is that the inequality of tax burdens in A and B were due to local conditions, over which the state had little or no control. Presumably town A has heavy needs for town services together with only moderate wealth of its citizens. Town B is a wealthy town with relatively moderate needs. Town B can therefore get on

nicely with a tax rate of only half what is required by A. This example, though purely hypothetical, is by no means extreme. Many Connecticut towns have tax rates below 15 mills; several have rates above 25 mills and one has a rate over 33 mills. Where a town is so unfortunate as to require a heavy tax rate, it is only fair that all taxable interests in the town should share the burden, as it is equally fair that the advantage of light taxation should be equally shared by all taxpayers in the fortunate town which gets on with a low rate. But, it may be objected, perhaps the difference is due to an inefficient and corrupt government in one town and an honest and efficient government in the other. Even so, there appears no reason why all taxpayers in the first town should not pay the penalty of bad local government, nor why all should not share in the benefits of good government in a town which achieves it.

The gross income tax at a uniform state rate means that certain taxable interests are relieved of part of the burden of local government in those towns where the burden is unusually heavy, whereas the same class of taxpayers is in part deprived of the advantage of light taxation in towns with an unusually low tax rate. The situation becomes still clearer if we suppose that tax rates change after the new system has gone into effect. Let us assume that town A finds it necessary to obtain additional revenue. Nothing can be done to compel an increased contribution from the gross income tax. The whole increase must be obtained by an addition to the already heavy rate of the property tax, thus further intensifying the inequality between the different taxable interests of the town. If town B should find it possible to reduce the tax rate, all of the advantage would go to the owners of taxable property, while the business interests already taxed excessively have nothing to gain from their town's improved condition so far as the tax on their personal property is concerned. It is hard to see how such discrimination between the taxable interests of the town can be justified.

Now let us suppose that, in order to avoid the injustice of the flat state rate, we turn to the other extreme and give the towns the same freedom to determine the rate of the gross income tax which they now possess with respect to the property tax rate. Discrimination is no longer forced upon the towns by the law, but there is no guarantee that discrimination will be avoided. It is conceivable that

each town would now undertake to fix a rate on gross income which would be in fair relation to the property tax rate and on the occasion of future changes in the latter rate would make corresponding changes in the gross income rate, in order to hold the balance equal between the two classes of taxpayers. This delightful state of affairs is indeed conceivable, but one does not have to be a callous cynic to regard it as highly improbable. The town would now have two tax rates to determine each year, and political considerations could scarcely be kept out of the decision. Where the business interests were weak politically, we should expect to find a high rate of tax on gross income in order to relieve the owners of real estate. In those towns where the business interests were influential the reverse might be the case. Such political discriminations would probably be worse than the automatic discrimination which would be forced by a uniform state rate.

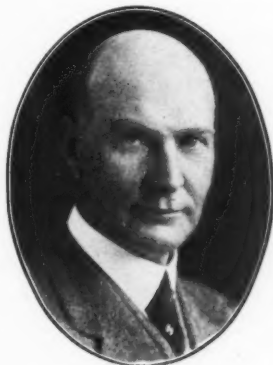
In my opinion it is not necessary to accept either of the disagreeable horns of the dilemma and I should like to suggest a different solution of the rate problem. Suppose, again, that investigation has determined that, taking the state as a whole, a certain rate upon gross income will yield approximately the same revenue as is now obtained in all the towns through the ad-valorem tax upon the personal property of business. To have a concrete case, let us assume that this rate is $\frac{3}{10}$ of one per cent, or

3 mills. Now the average rate of the property tax throughout the state, on the lists of 1923 (the latest available figure) is 21 mills. On the average, then, a rate of 3 mills on gross

income would, on our assumption, yield about the same revenue as a rate of 21 mills on the personal property which is to be exempted. Now let us suppose that the legislature writes that ratio $\frac{3}{21}$, or $\frac{1}{7}$ into the law. That means that the rate of the tax upon gross income will be fixed for each town at $\frac{1}{7}$ of whatever rate the town is at the time imposing upon property. The towns will of course retain their present freedom to change their property tax rates, but whenever a town increases or decreases its property tax rate, it will be required to make exactly corresponding change in the rate of the gross income tax.

To return to our numerical example, town A, with a property tax rate of 33 mills would have a rate of $4\frac{2}{7}$ mills on gross income, whereas town B's rate would be $2\frac{1}{7}$ mills. The gross income tax paid in town A would be \$300,000, and in town B, \$150,000, exactly the same as the tax formerly paid on the personal property now exempted. Of course this exact agree-

ment is the result of my numerical example, in which the relation between the assessed value of personal property and the amount of gross income in each town was assumed to be the same as for the state as a whole. In the actual case such exact agreement would of course not be found, but there



JOHN H. TRUMBULL

*Governor of Connecticut and President of the
Trumbull Electric Manufacturing Company*

Extracts from the Governor's Message

“**W**HATEVER may be the requirements upon this session of the General Assembly none takes precedence over our manifest duty to leave the state as sound financially as we find it. If this object can be accomplished without impeding the work of any of our departments or institutions, and further reduction in taxes effected by the practice of rigid economy, a noteworthy advance will have been made.”

“**A**PPPLICATION to the state government of the same principles which govern successful private enterprise is a prerequisite.”

would be approximate agreement in most towns, except where there was a material inequality in the assessment of business personalty as compared with other property, a point to which I shall return presently. If town A should find it necessary to secure more revenue, it would determine its own property tax rate, say 32 mills, and the gross income rate would automatically rise in proportion, becoming $4\frac{4}{7}$ mills. A reduction in rates would work in the same way. The different taxable interests would share alike in the prosperity or adversity of their respective towns. There would be diversity of rates among the towns, just as there now is in respect to the property tax, due to local conditions. Otherwise there would be equality, on account of the uniform ratio tying together the two rates everywhere throughout the state.

This brings me back to the point mentioned above. It may well happen that the business interests of a given town are now bearing a heavy burden of taxation upon their personal property, not merely because of a heavy town tax rate but because the town's assessors have discriminated against such property as compared with other taxable property. One of the features of the suggestion which I am offering is that such inequalities would be ironed out. Returning to our numerical illustration, let us suppose that another town, C, is in the same situation as town A except that business personal property, actually worth no more than in A, has been unjustly assessed at \$15,000,000. The ad-valorem tax on this property is \$450,000, 50% higher than it would be with a fair assessment. The substitution of the tax on gross income, with a rate tied to the property tax by a ratio based on average state conditions instead of on the unjust situation of this particular town, would not perpetuate that inequality, but would raise a tax of \$300,000, the same as paid in another town with similar conditions.

On the side of general administration I can find no serious difficulties in Mr. Blodgett's proposal. I assume that at least the assessment of the tax will be entirely in the hands of the Tax Commissioner. Local assessment would certainly break down and make the new tax just as great a farce as the present taxation of personal property. The Tax Commissioner should determine the amount of each taxpayer's taxable gross income and should allocate the income to the respective towns in every case in which more than one town was concerned. He might then certify the assess-

ment lists to the respective towns and leave it to them to apply their rates, determine the amount of the tax, and collect. Or the Tax Commissioner might ascertain the tax rates of the several towns, and himself determine the amount of each taxpayer's tax, collect, and remit to the respective towns. The latter is probably the better alternative.

The information necessary for assessment would be easily obtained; in fact it is already virtually in the possession of the Tax Commissioner. The local public utilities and the unincorporated manufacturers and merchants are now subject to a state tax on gross income, and the miscellaneous corporations, now taxable on their net income, are required to report their gross income to the Tax Commissioner. Whatever were the basis of apportioning the tax between the several towns, the necessary information is either already in the possession of the Tax Commissioner or could be easily secured. The bill must finally contain a considerable amount of administrative detail, but this will involve, I believe, no serious or difficult questions of principle.

I come now to the question of the fundamental merits of the plan. Does it deserve the support of the taxpayers and citizens of the state? As a first step toward answering this question, I have no hesitation in affirming that the existing situation in the taxation of personal property has for many years been so utterly vicious that it is difficult to imagine any serious substitute which would not be an improvement. The present proposal is to be judged, not by the scale of perfection, which is never attained in human affairs, but by comparison with the present situation and with other possible substitutes. As to the first comparison, I believe Mr. Blodgett's plan has the verdict without going to trial. Is it, however, the best possible solution of our problem?

The principal question here has to do with the relative merits of gross earnings and net earnings as the tax base. Against the gross earnings base may be urged the objection that large gross income may accompany large expenses, with resulting net income small or even entirely lacking. It seems a hardship for a business which has made no net income or actually suffered loss to have to pay a heavy tax because forsooth its gross income was large. A tax measured by net income would be more in proportion to ability to pay and less harsh upon the unsuccessful enterprise. All of this is true. But there is something to be said on the other side. This plan is proposed as a

substitute for the property tax, and the property tax is no more closely related to net income and tax-paying ability than the gross income tax. Also it must be remembered that the towns must have a fairly regular income, and this will preclude the exclusive adoption of the net income basis of taxation. As step by step we substitute net income for the property basis the towns will find their revenues more and more variable because subject to the fluctuations of business prosperity. Yet town functions must go on whether business flourishes or not. We have here a fundamental issue between net earnings and gross earnings, with advantages and defects present on each side and with room for honest difference of opinion upon any particular case.

A word on the important question of constitutionality is perhaps not out of place. It has been fully established that any tax which imposes a burden upon inter-state commerce is in violation of the constitution of the United States and therefore void. A tax may, however, be imposed measured by the earnings from interstate commerce, provided it is an exclusive tax in lieu of a tax on property and so drawn, as to rate and apportionment of interstate earnings, as not to be heavier than a tax upon the property within the state levied on the same basis as other taxable property. The present Connecticut taxes on the gross earnings of railroads, street railways, telephone, telegraph, express, and car companies were carefully drawn to meet all these conditions, and their constitutionality has never been questioned. There is very serious question, however, of the constitutionality of a tax on the gross income of manufacturing and mercantile concerns doing an interstate business, when levied in addition to a property tax upon real estate and, in certain cases, also a tax on net earnings. The present Connecticut tax upon unincorporated manufacturing and mercantile concerns is, it is true, such a tax. Its constitutionality has thus far not been brought into question, probably because few unincorporated concerns have any extensive interstate business and because the rate is so low (1 mill or 1/4 mill) as to make it not worth while to raise the point. But there are many Connecticut manufacturing corporations which do a large interstate business, and some of these might find it well worth their while to challenge Mr. Blodgett's gross income tax. This is a point which will need to be carefully considered.

I have just one more problem to raise. In some industries, brass manufacture, for ex-

ample, the cost of raw materials represents a very considerable part of the gross receipts from the sale of the finished product. In such a case it might prove worth while for a large concern to organize a corporation in a neighboring state, which foreign corporation would hold title to the materials, send them in to Connecticut to be fabricated by the Connecticut concern, and have the finished product returned to the foreign corporation. The gross income of the Connecticut concern might thus largely vanish, being at the maximum not much more than the labor cost of the finished product. Other devices similar to this will at once suggest themselves, and I scarcely need to go further into the technical elaboration of this point, upon which the readers of *Connecticut Industry* are far more competent to judge than I. Suffice it to suggest that here is another point upon which careful expert consideration is required.

In conclusion I wish to express appreciation of the intelligent and courageous way in which the Tax Commissioner of Connecticut has grasped the crying problem of the taxation of business personal property, as he has previously tackled the problem of the assessment of real estate. I have sought to set forth certain important aspects of his proposed reform. I have occupied a strictly scientific standpoint, and what I have written may doubtless be used by both the friends and the enemies of the present bill. I have not myself taken a stand either for or against it. That cannot safely be done until the final bill is before us in all its details. I may say, however, that I believe the people of Connecticut have before them an honest attempt to remedy a disgraceful tax situation and a plan which, when carefully drawn as to all its details, can be effectively opposed only by offering something still better.

The bill under discussion in the above article (H. B. 556) has, at the time of going to press, been scheduled for hearing before the Finance Committee on Wednesday, March 11.

The time is therefore short in which to secure opinions and members are asked not to delay in giving some thought to the matter and advising the Association of their conclusions.

We assume that all members are familiar with the Tax Commissioner's proposal, published in the January issue of *Connecticut Industry*. Should any member desire an extra copy of this it will be sent on request.

INDUSTRIAL SERVICE

THE RIGHT TO STRIKE

Much loose thinking and even more vague talking has characterized discussions on the right of workmen to strike. Restricting this right even slightly by injunction or other means has met with vigorous opposition on the ground that it would condemn the workman to a sort of slavery. The withdrawal of this privilege, it is said, would result in holding men to their jobs with chains as strong as the bonds of feudal serfdom. Like other subjects in industrial economics, the interpretation thus put on the action of those who would seek to limit the indiscriminate abandonment of employment, some of which is necessary for common weal, is distorted by illogical reasoning.

A strike is commonly regarded as a refusal either individual or collective to enter on a contract of labor or to continue in an employment already held. It is more than that—much more. No group, no matter how liberally they may construe the rights of employers, has ever attempted to restrict the right to strike in the sense that they would hold the workman to his present job or prevent his accepting alternative employment.

A strike is much more than a mere refusal to accept the terms of a contract of labor. It is a premeditated withdrawal by an individual, or a concerted withdrawal by a body of workmen from their several jobs with the avowed purpose of returning to the *same* job under better conditions, be they increased wages, reduction of hours, or improved environment. The retention of the old job is the very essence of a strike, and this fact must be borne in mind by anyone who attempts to get at the root of the questions of justice involved. Nor is this conception of the question a mere matter of phraseology. The workers themselves recognize it implicitly, although they may not commit themselves to it in so many words. A successful strike, in the opinion of the workman, is one in which the old job is retained under better conditions. Labor organizations consider the strike to have failed if the old job is not retained, even though other better employment has been obtained. The correctness of this conception is further emphasized by the attitude of strikers towards workers brought in to replace them. If a strike were simply a withdrawal from work because of dissatisfaction with existing conditions, the implication

is that the strikers would be content to have their places filled by others who might be satisfied with the conditions of employment which they saw fit to leave. Industrial history shows how far that is from the actual facts. Strikers as a rule not only withdraw from their jobs, but endeavor with varying degrees of passivity or violence to prevent others from replacing them on any terms whatsoever. A strike is making satisfactory progress in the estimation of the workers concerned when no attempt is made to fill the vacant places, but instead there ensues a period of negotiation or at least a period of dull waiting in the nature of an endurance contest.

Without a full knowledge of all its implications, one cannot hope to have a true understanding of the questions of justice involved. Particularly is this true in the case of employment on the continuity of which public welfare depends to some degree as in the case of workers employed in supplying essential commodities, be they fuel, food or transportation. Furthermore, the strike as a fighting move becomes a weapon of doubtful morality, when, as in the case of those employed in public service, the corresponding right of the employer to discharge is hemmed about with restrictions of various sorts, while the certainty of continuous employment is enjoyed to a greater degree than in a strictly private enterprise.

SOLICITORS

At the recent meeting of the Connecticut Industrial Council it developed that solicitors representing various projects, some of which are worthy, others unworthy of support, continue to approach manufacturers seeking contributions, subscriptions or contracts. For several years the State Association, in cooperation with the Connecticut Industrial Council, has acted as a clearing house; and has collected and disseminated information on this subject. Through the various organizations which comprise Council membership a list of solicitors is now being gathered from all sections of the state. The wide distribution planned for the list on its completion will do much to nullify the activities of fraudulent solicitors. Individual manufacturers can assist materially in the compilation of this valuable information by sending to the Association's office a list of organizations which have approached them for support.

TRANSPORTATION

MOTOR TRUCK LEGISLATION

There have been introduced in the 1925 session of the Connecticut General Assembly a large number of bills concerning motor vehicles which are of direct interest to manufacturers. The bills may be placed in four classes. First, recognition of the commercial motor vehicle as a common carrier. Second, the increase of the tax on gasoline to two cents and the reduction of the registration fee on passenger cars through the establishment of a flat rate basis rather than on a piston displacement basis. Third, loading and overloading of commercial and passenger motor vehicles. Fourth, increasing the responsibility of owners and operators of motor vehicles. Each week every member of the Association receives a bulletin containing information in respect to the hearing dates of all bills before the Connecticut General Assembly for the succeeding week. Members who are interested in any of the above legislative proposals should check the lists received each week and write to the Association headquarters for copies of the bills.

INFORMATION BUREAU, N. Y., N. H. &
H. R. R. CO.

Members experiencing difficulty in securing information on interchange and handling of freight shipments through terminals after twelve o'clock at noon on Saturday are advised that the New Haven Railroad maintains an information bureau through which all available information can be secured. This bureau functions under the Transportation Department of the New Haven and may be reached by phone, New Haven, Liberty 70, Extension 226 or 227.

ABANDONMENT OF TRACK BY B. & M.

The Chairman of the Executive Committee of the B. & M. Railroad has proposed a plan involving the abandonment of approximately 1,000 miles of track as the result of decreased tonnage brought about by motor truck competition. Of the total mileage of 2,450 of the B. & M., 1,000 miles handles only 3% of the business. The company proposes to organize a motor truck service to meet the need.

ERIE PACKAGE CAR SERVICE

The Erie Railroad has just issued for the information of shippers and consignees a very interesting pamphlet of sixteen pages descriptive of package car facilities for less than carload traffic provided at all stations on the

Erie System as well as from the principal connections of that company, showing schedules and "break bulk" destinations which should be helpful to shippers and receivers of less than carload freight. Such publications are an indication of the spirit of mutual helpfulness between the railroads and the public.

Copies of the pamphlet may be secured from the office of Mr. E. B. Jones, New England Freight and Passenger Agent, Erie Railroad Company, Boston.

EASTERN CLASS RATE INVESTIGATION

The Association has secured the support of all local industrial organizations and chambers of commerce in connection with the Eastern Class Rate Investigation Case. Approximately \$5,000 has been subscribed by the state of Connecticut thus far. Hearings began before the Interstate Commerce Commission on February 4, at which time the carriers presented their proposals. Adjournment has been taken and shippers and receivers of freight will be heard at a later date. Since the proposals presented by the carriers, if accepted, would result in an average increase of 15% on class rates from and to Official Classification Territory, all interested members should cooperate with their local organizations and the State Association in bringing about defeat of the proposals. Full information may be secured from the Association's headquarters.

PROMOTIONS

The Erie Railroad Company has announced the appointment of J. B. Ford, Freight Traffic Manager in New York, and F. D. Austin, Traffic Manager for Chicago.

J. T. Green, former Chief of the Tariff Bureau of the Clyde & Mallory Steamship Company, has been appointed General Freight Agent of the lines with offices in New York.

We call the attention of readers to the advertisements appearing for the first time this month in **CONNECTICUT INDUSTRY**. Use the magazine as a buyers' guide.

ASSOCIATION ITEMS

COMMITTEE MEETINGS

The past month has been one of extra activity for the Association due to the handling of legislative material (see page 14) and to necessarily increased business of practically all committees. In addition to the Board of Directors' meeting, meetings have been held of the Legislative, Finance and Taxation, Traffic, St. Lawrence and Pollution of Streams Committees.

The Legislative Committee met on February 6, and reviewed all measures of probable or possible interest to industry, referring to the Finance and Taxation and Traffic Committees matters pertaining particularly to the work of those committees. On other bills not so referred, recommendations were made concerning the position to be taken by the Association.

On February 9 the Committee on Finance and Taxation met to review and take appropriate action on important tax bills, as well as to hear a preliminary report from Professor Fairchild in regard to the tax survey of the state which the latter has been conducting for the Association.

The Traffic Committee, meeting on January 30, discussed among other things suggested improvements in local freight service, and the Eastern Class Rate Investigation for which subscriptions have been coming in too slowly. The committee then reviewed important motor vehicle bills.

Colonel Charles R. Gow, chairman of the All New England Great Lakes-St. Lawrence Waterway Project Committee was a guest of the St. Lawrence Committee at its meeting on February 16, and before adjournment it was suggested that a meeting of the Executive Committee of the All New England group be called in the near future so that final and definite conclusions as to New England's position in regard to this matter might be formulated.

A full docket occupied the attention of the Board of Directors at their February meeting, and in addition to matters of routine business, action was taken in regard to proposals to bring about closer contact between educational and industrial interests in the state with a view towards affording students an opportunity to learn more concerning industrial methods and practices. Pollution of streams, the state fair, and a large number of other matters were discussed and acted upon, in addition to pending legislative matters.

FOREIGN TRADE SERVICE

Edwin R. Rogers at one time with the Association doing foreign trade work and now connected with the Georgetown School of Foreign Commerce and a Washington service agency, will spend several months abroad this spring and summer and will be in a position to serve any manufacturers who may have matters abroad requiring attention or investigation. The Association will be pleased to place any members desiring such service in touch with Mr. Rogers.

MAGAZINE ADVERTISING

So many queries have been received as to what policy the Association has adopted in regard to advertisements in *Connecticut Industry*, that it may be well to again state this.

Advertisements will be accepted only from those firms which the Association believes to be of such character as to warrant the support of members. Members of the Association who voluntarily express a desire to take space in *Connecticut Industry* will of course be welcome, but neither now nor at a later date, will members be solicited for advertisements.

TRADE TRIP TO SOUTH AMERICA

Members of the Association have been invited by a special joint committee of the Maritime Association of the Boston Chamber of Commerce, the Associated Industries of Massachusetts and the Foreign Trade Bureau of the Boston Chamber of Commerce to take part in a "New England Trade Pilgrimage" to South America during the autumn of 1925. The trip will take approximately forty-three days and the party will be limited to about one hundred and fifty. The Association will be glad to send full information to any members who may be interested.

NEW MEMBERS OF LEGISLATIVE COMMITTEE

The Association's Legislative Committee has been recently enlarged by authority of the Board of Directors. The new members are C. F. Dietz, chairman of the Industrial Relations Committee; Guy P. Miller, chairman of the Finance and Taxation Committee, Wilson H. Lee, chairman of the Committee on Agriculture; R. L. French, chairman of the Traffic Committee; John H. Goss, chairman of the Research Committee; F. S. Chase, chairman of the St. Lawrence Committee and C. B. Whittelsey, chairman of the Compensation Committee.

FEDERAL LEGISLATION

The Postal Pay Bill has occupied a large portion of Congress' time during the past month with differences developing between the House and Senate. At the time of going to press the Senate has again passed the original Moses bill, and the bill went into conference.

Hearings have been held by the Senate Finance Committee concerning a continuance, after March 4, of the investigation of the Bureau of Internal Revenue which Senator Couzens' committee has been conducting. The Association has recorded itself as opposed to further continuance of this investigation on the ground that it is seriously hampering the work of the Bureau and delaying the transaction of important business.

The Gooding Long-and-Short-Haul Bill was rejected by the House Interstate Commerce Committee after it had passed the Senate. The Interstate Commerce Commission is opposed to the bill.

Although hearings are being held, Representative Winslow of Massachusetts, chairman of the Senate Interstate Commerce Committee has stated that Pullman surcharges will not be acted upon at this session.

The House has passed H. R. 7190 amending the China Trade Act of 1922 which is primarily intended to put American interests doing business in China on the same basis as other nations so far as taxation is concerned.

H. R. 11796, introduced by Representative Holaday, providing for the deportation of certain undesirable aliens, has passed both houses.

Among bills of interest introduced since last month are:

DEPARTMENT OF COMMERCE

H. R. 11797 (White) — Authorizing reorganization and consolidation of Department of Commerce and others.

EDUCATION

H. R. 416 (Winslow) — Recommending course of study on Constitution in schools.

FEDERAL TRADE

S. 4008 (Wadsworth) — Amending act creating Federal Trade Commission.

H. R. 11793 (Williams) — Similar to above.

FOREIGN TRADE

S. 3979 (Copeland) — Amending Tariff Act of 1922, changing titles of appraisers, etc.

S. 4107 (Shipstead) — Concerning modification of visé fees.

H. R. 11957 (Fish) — Concerning modification of visé fees.

H. R. 12028 (Garber) — Duty of 15% ad valorem on hides.

H. R. 12105 (Lineberger) — Tariff on hides.

H. R. 12180 (Bloom) — Reducing passport fees and eliminating visé regulations.

H. R. 12186 (Bloom) — Reducing passport fees and eliminating visé regulations.

GASOLINE

———— (Trammel) — Authorizing Federal Trade Commission to investigate increases in price of gasoline.

GOLD STANDARD

H. R. 12231 (Black) — Regulating value of gold coins.

HIGHWAYS

H. R. 11927 (Evans) — Amending Federal Highway Act: prescribing limitations for funds for Federal aid for highways.

IMMIGRATION

H. J. R. 337 (Johnson) — Immigration and naturalization commission.

H. J. R. 353 (Sabath) — Relating to immigration of certain aliens.

H. R. 410 (Johnson) — Concerning immigration.

H. R. 11796 (Holaday) — For deportation of certain aliens.

H. R. 11887 (Johnson) — Certificates of identification for aliens.

H. R. 12158 (Jacobstein) — Equal rights to male and female citizens under Immigration Act.

INSURANCE

S. 4148 (Capper) — Insurance code for District of Columbia.

H. R. 11750 (Blauton) — Insurance code for District of Columbia.

INTERSTATE COMMERCE

H. R. 417 (Dyer) — To consider H. R. 9179 to punish unlawful transmission through mails or in interstate commerce of gambling machines, fraudulent devices, firearms.

S. 4183 (Sheppard) — Amending Section 20, paragraph 2 of Interstate Commerce Act.

S. 4184 (Trammel) — Not more than one member of Interstate Commerce Commission from one state.

PROFITEERING

S. R. (King) — Approving policy of seizing industries in wartime to prevent profiteering.

REAL ESTATE

S. 4134 (Ball) — Licensing real estate brokers; creating commission in District of Columbia.

STEAM ENGINEERS

S. 4004 (Copeland) — Amending act regulating steam engineering in District of Columbia.

TAXATION

H. J. R. 324 (Winter) — Amending Constitution for apportionment of the representative and direct taxes among states.

H. R. 11754 (Garber) — Amending Revenue Act of 1924 in regard to estate tax.

——— (Smith) — Restricting time limit for payment of taxes.

H. R. 12102 (LaGuardia) — Amending Revenue Act in connection with assignment or transfer of contracts.

H. R. 12191 (Free) — Amending paragraph 737 of schedule 7 of Revenue Act.

H. R. 12263 (Green) — Amending Section 281 of Revenue Act of 1924.

H. R. 12300 (Green) — Amending Section 281 of Revenue Act of 1924.

VETERANS

H. R. 11749 (Knutson) — Pensions in connection with wars other than the Civil.

H. R. 11823 (Vestal) — Amending War Risk Insurance Act.

H. R. 11882 (Andrew) — Amending World War Adjusted Compensation Act.

H. R. 12195 (Hill) — Naturalization exemptions for veterans.

WATERWAYS

H. J. R. 332 (Winslow) — \$275,000 for further surveys of St. Lawrence.

H. R. 11795 (O'Connor) — Creating waterways and water resources commission.

H. R. 11886 (Hawley) — Amending act concerning cooperation of states for protection of watersheds, etc.

BRIEF REVIEW OF STATE LEGISLATION

Because of the necessity for prompt information and action on most of the matters arising during the session of the State Legislature, members have been kept advised of the introduction of bills and hearings on those of interest by means of special bulletins.

More than 1400 bills have been introduced in the present session. This has necessitated, as members will appreciate, a great amount of work on the part of the Association staff, committees and counsel in carefully analyzing all proposals, listing those of importance, determining the position to be taken by the Association and sending out copies of bills. As fast as bills were introduced they were listed in bulletin form with a brief analysis of each and within two days after the introduction of bills was completed the final bulletin listing the balance of all bills was in members' hands. Within a week after all bills were in, more than 134 different measures had been mimeographed and many copies of each, running into the hundreds, were mailed out to members, local secretaries and others who requested them.

At the close of each week a bulletin is issued

announcing hearings for the ensuing week and to date the Association has represented its members at over eighty of these hearings.

There is every indication that matters will be expeditiously handled at this session and already many bills have been disposed of. The method employed this year by the committees of grouping bills of a similar nature is proving very helpful and should do much to keep the legislative business moving in an orderly manner.

Among the bills already rejected are H. B. 792, prohibiting the use of magazine or pump guns. S. B. 448, regulating overloading of public service vehicles; H. B. 609, providing for verbal report by operator of an accident; H. B. 826, one-half of all motor vehicle fines to go to state; H. B. 74, cities of over 25,000 to have representation on Public Utilities; H. B. 112, Public Utilities to hold hearing on petition of 25; S. B. 20, illegal for persons or corporations to make noise at certain hours to interfere with radio; S. B. 217, to build and operate state docks at New Haven; S. B. 76, repealing tax on unincorporated business; H. B. 196, tax on cigarettes.

INDUSTRIAL NEWS AROUND THE STATE

COLT'S ON GOVERNMENT ORDER

The Colt's Patent Firearms Manufacturing Company of Hartford has received an order from the Ordnance Department of the United States Government for 298 Browning machine guns, calibre .50. This water-cooled gun has been recommended as standard anti-aircraft equipment and the greater part of this order will be allotted to the navy.

gressman James W. Husted as president of the New England Pin Company, Winsted. Charles E. Curtis of New York was re-elected vice-president and George F. Drake, general manager.

WILLIAM A. SCHENCK RETIRES

William A. Schenck, manager of the M. B. Schenck division of the Bassick Company, has retired from management of that concern, hav-



COLT'S PATENT FIREARMS MANUFACTURING COMPANY

LORRAINE MANUFACTURING COMPANY GIVES MEDALS

One hundred and twenty-one employes of the Lorraine Manufacturing Company of Pawcatuck were recently presented with long-service medals by the management. Of the one hundred and twenty-one, fifty had been with the concern ten years, thirty for fifteen years, ten for twenty years, fifteen for twenty-five years, ten for thirty years, three for thirty-five years and three for forty years.

LOWER NAUGATUCK VALLEY ASSOCIATION MEETS

The Industrial Association of the Lower Naugatuck Valley recently held its eighth annual meeting, at the Hotel Clark, Derby. Following the annual report of J. B. Davidson, president, president of the Cameron Electrical Company, and the annual report of P. L. Gerety, secretary, the gathering was addressed by the Hon. W. L. Huggins of the League for Industrial Rights, formerly judge of the Kansas Court of Industrial Relations.

LUCIUS S. STORRS LEAVES CONNECTICUT COMPANY

Lucius S. Storrs, president of the Connecticut Company, has submitted his resignation to the board of trustees, to take effect April 1. Mr. Storrs is leaving Connecticut to become managing director of the Electric Railway Industry, with headquarters in New York.

NEW PRESIDENT FOR NEW ENGLAND PIN COMPANY

James W. Husted, Jr., of Peekskill, New York, has succeeded his father, the late Con-

ing been associated with it for thirty-three years. The M. B. Schenck Company was founded by Mr. Schenck's father and for the last few years has been a division of the Bassick Company of which latter concern Mr. Schenck has been a director and vice-president. E. C. Hunter of Bridgeport will take Mr. Schenck's place.

WILDEY PRESIDENT OF FABYAN AND MYSTIC WOOLEN COMPANIES

Fred Wildey, formerly general manager of the Fabyan Woolen Company of Stafford Springs, has been elected president and general manager of that concern and the Mystic Woolen Company of Old Mystic.

BERG COMPANY BUYS NORWALK PLANT

Announcement has been made of the purchase by F. Berg and Company of Orange, New Jersey of the Pope Company, Inc., of South Norwalk, hat manufacturers.

\$1,000,000 TO BRIDGEPORT FIRM'S EMPLOYEES

The General Electric Company of Bridgeport has distributed over \$1,000,000 as supplementary compensation to those of its employes who have been with the firm over five years.

THE RAILROAD REFINANCING

The active interest and cooperation of regional industrial associations and other business organizations in Connecticut has been a most important factor in the success of the New Haven refinancing loan in this state. As members have already been advised, the loan is over-subscribed, with additional subscrip-

tions still coming in from industrial and other sources, insuring a substantial scaling down of the allotments of bonds to purchasers in amounts of more than one thousand dollars.

Following the announcement by the Directors of the Manufacturers Association of Connecticut that the Association would join with similar bodies in Massachusetts and Rhode Island in support of the New Haven refunding bond issue, the Hartford Stock Exchange was the first business organization in Connecticut to take action. By vote of the Board of Governors of the Exchange a letter was sent to all members inviting them to lend their personal cooperation in the movement initiated by the Manufacturers' Association for the purchase of the New Haven bonds by Connecticut industry. Similar action was taken by the Board of Governors of the Connecticut Investment Dealers Association, which includes in its membership practically every firm in the state dealing in securities.

Upon invitation of the Advisory Committee of the Manufacturers Association of Bridgeport, Mr. E. G. Buckland, Financial Vice-President of the New Haven Railroad, appeared before the committee and explained the plan for the proposed cooperation between transportation and industry. The committee thereupon authorized a bulletin to all members of the Bridgeport Association which stated that the Advisory Committee unanimously approved the refunding plan, commended the bonds both as a safe conservative investment and as wise insurance of future transportation service and invited Bridgeport manufacturers to subscribe to the securities.

The Board of Managers of the Manufacturers Association of Hartford County unanimously adopted a resolution commending to members of that organization participation in the New Haven bond issue as a sound conservation investment and a safeguard of a transportation service upon which the existence of Connecticut industries depends.

The Board of Directors of the Hartford Open Shop Building Trades Exchange likewise adopted resolutions endorsing industry's support of the New Haven bonds and sent to all their members a copy thereof with the recommendation that they subscribe to the bonds.

Meetings of manufacturers were also held in New Haven, Waterbury and Danbury at which the matter of industry's participation in the New Haven refinancing loan was favorably presented, while the action of the Board

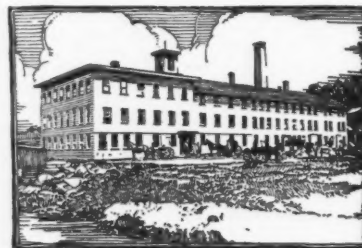
of Directors of the State Association received commendation in the report of officers at the annual meeting of the Industrial Association of the Lower Naugatuck Valley.

The Directors of the Connecticut Chamber of Commerce adopted a resolution congratulating the Directors of the Manufacturers Association of Connecticut upon their undertaking with respect to the financial rehabilitation of the New Haven and tendering the assistance of the State Chamber.

The plan of industry with respect to the New Haven loan was placed before the officers of each organization affiliated with the Connecticut Industrial Council and by the time this issue of *Connecticut Industry* is published it is anticipated that several other member bodies will have expressed their approval of this cooperative undertaking which has proved a complete success.

75TH ANNIVERSARY OF SILK SPOOLING

On February 11 the Heminway Silk Company, at an anniversary dinner held at the Manhattan Club, New York, celebrated the



WHERE SEWING SILK WAS FIRST SPOOLED IN AMERICA

seventy-fifth anniversary of the first spooling of silk. One hundred and sixteen were present including members of the Heminway organization and guests. Following the dinner President H. Morton Merriman who presided as toastmaster, told something of the history of the organization and was presented with a diamond scarf pin by General E. C. Young, vice-president of Belding Brothers and Company.

In 1839 Merrit Heminway, a native of East Haven, Connecticut, following the disastrous attempt to raise mulberry trees and silk worms which had swept over the country, conceived the idea of putting silk thread on spools. In 1849 he founded the firm of M. Heminway and Sons in Watertown, Connecticut, and silk thread, which formerly had been made entirely in skeins was for the first time spooled and the foundation laid for a great industry.

A LETTER FROM MR. E. J. PEARSON

PRESIDENT OF THE NEW YORK, NEW HAVEN AND HARTFORD RAILROAD

TO

MR. HUBBARD, PRESIDENT OF THIS ASSOCIATION

"I TAKE great pleasure in sending you herewith, for the information of yourself and the industrial groups in Connecticut, Massachusetts and Rhode Island, a copy of a letter which is being sent by the Railroad Company to all present holders of its fifteen year-bonds maturing April 1, next. . . .

"That it is possible at this early date to make such an offer to the bondholders is of course most gratifying, and I desire to take this opportunity to express to you personally, appreciation of the constructive vision, the initiative, and the courage on the part of yourself and the directors of The Manufacturers Association of Connecticut, as a result of which the current plan of refinancing was devised, adopted and is now proceeding toward such a happy conclusion. Not only have the industrial corporations on our lines subscribed to several million dollars' worth of the bonds, but this voluntary cooperation on the part of organized industry in the three states, together with the efforts made by industry to place this matter in its full significance before the public, have combined to give an especially favorable status to the bonds, and have been productive of results of great present and future value not only to the Railroad Company, but also, I am confident, to New England interests as a whole. . . .

"The success of the refinancing loan to date and the effect thereof on the credit position of the New Haven are so marked that I feel I may properly, in connection with the splendid cooperation of industry, make the following observations:—

"The larger the proportion of over-subscription to the refinancing loan the greater will be the improvement in the credit position of the Railroad Company, and the more impressive will be this notable demonstration of the unity of industry and transportation in New England for the advancement and protection of New England prosperity and development.

"In proportion to the degree of over-subscription, the allotment of bonds to those subscribing more than say one thousand dollars will be scaled down.

"I might also add that I am fully in accord with what I understand is the view of the industrial groups, namely, that the more widely the bonds are distributed among the industries served by the New Haven lines, the broader will be the basis for the very desirable relationship between the railroad and the industries established by their important contribution to the solution of one of our financial problems."

"THE AMERICAN COTTON SPINNER"

The Association is indebted to Mr. E. Gordon Cone, assistant treasurer of the Summit Thread Company of East Hampton, Connecticut, for the following extract from an interesting old document concerning what seems to have been a depression sufficient to have caused some concern in the cotton industries, more than seventy years ago. The article is from a book compiled from the papers of Robert H. Baird, published in Boston in 1854 and would lead one to believe that perhaps after all there is nothing new under the sun!

The article says: "The comparative idleness of our cotton factories is, no doubt, a lamentable prospect but it would be unjust to charge this result to the General Government and the tariff alone. The advance in the price of the raw material, consequent upon the rapidly increasing demand, and the partial failure of the crops, has as much a tendency to produce this effect, as the policy of the Government; a high tariff would not have prevented the partial stoppage of our factories.

"From Rhode Island, that busy cotton cloth-making hive, we learn that about seventy factories have stopped; from Lowell and our Eastern manufacturing villages, we hear the same ominous reports. In Maryland, in the Patapsco Valley, 'silence reigns', and even from the sunny south we hear of depression and suspension of manufacturing operations. From east, west, north and south, 'the times are bad, the cotton manufacturers say', and they say so truly. The important question in such a case is, 'What is the cause?' One says a higher tariff is wanted; another says it is owing to the high price of cotton, and a few among the great many say, 'it is owing to manufacturing too many coarse goods.' The first question is a political one, and we therefore will not discuss it. The other two are so entwined together that we must and readily can establish their truth or falsity. If the demand for cotton cloth was equal to the supply, the high price of cotton would be paid by the consumer. There is every reason to believe that the supply has been greater than the demand, for the coarse cotton manufacturers of Britain have long been in a depressed state, the exports being less for the last two quarters in every kind of cotton manufacture; and taking this into consideration, along with the great number of our factories which have done but little for the past six months, we should have expected some clearance in threads

in the markets, and a respectable advance in the prices, to meet the corresponding high price of cotton but no such appearance of demand for goods is manifested, or rather the markets are as glut-full of cheap goods as ever. The merchants always like to sell cheap; they care not for the manufacturer's interest, only give them cheap goods to sell. It is a commercial fact, too that 'when prices are once lowered to a fixed standard for some time, it is almost impossible to elevate them above it, however great the necessity may be for doing so.' It is our opinion that there have been too many of our factories engaged in making coarse cotton goods. At the North this is self-evident, for coarse goods can be manufactured cheaper at the south, and with the great number of factories now in operation in Georgia, Alabama, Tennessee, South Carolina and some other States, how can it be expected that our Northern Manufacturers can long keep the field against them—they cannot do it. Leaving the political question out of sight, there is one remedy which we would suggest, that is to go into the manufacture of finer fabrics, give your cotton more labour, employ more skill, and spend more for fine machinery. If you do not take our advice there is a brave chance for you to lose all your machinery, factories and all."

\$3,000,000,000 SPENT FOR AUTOS IN 1924

Percy Owen, chief of the Automotive Division of the Department of Commerce is authority for the statement that the world spent over \$3,000,000,000 for new automobiles during the past year.

84% of all passenger cars, 74% of all trucks and 11% of all motorcycles are in the United States, and in 1924 motor trucks in use in this country increased 550,000 or 23%, while passenger cars increased 2,750,000 or 17%. Motorcycles alone showed a decrease of 10% and this against a 24% increase in other countries.

SPANISH SALES INVOICE POSTPONED

Enforcement of the new Spanish law requiring sales invoices on all shipments made to that country, has been postponed until May 1.

POSTAL RECEIPTS INCREASE

Postal receipts of fifty industrial cities throughout the United States, for January, showed an increase of 4.18% over January 1924.

FEDERAL TAXATION SERVICE BUREAU

EXTENSIONS FOR FILING RETURNS

Members are reminded that applications for extensions for filing returns later than March 15, must be made in writing direct to the Commissioner of Internal Revenue, Washington, D. C. and not to a district office. The request must be made before March 15 and must contain a full explanation of why the extension is requested.

SALARIES PAID MEMBERS OF A PARTNERSHIP

Returns of information on Forms 1099 and 1096 are no longer required for salaries paid to its members by a partnership. This is explained by the fact that salaries of individual members are included in the distributable net profits of the partnership when returns are made on Form 1065, because of the earned net income provision and the information would therefore be duplicated.

A FEW DECISIONS OF INTEREST

No. 210. Where members of a syndicate proportionately advanced a total of \$140,000, which was intended to be and in fact was used to purchase property of a corporation which property, when purchased, was transferred to another corporation for which the syndicate received \$240,000 in cash and preferred stock; Held that a purchase and sale of property in which each member of the syndicate realized a profit of the difference between the amount advanced for the purchase and the amount received from the syndicate upon sale.

No. 199. Real property was sold in 1920 for part cash, part notes and part the assumption of an existing first mortgage; Held that the entire profit from the transaction is taxable in 1920.

No. 194. A corporation which increases its book inventory to agree with a physical inventory, offsetting such increase by a "Reserve for invoices not received" has not thereby received additional income under such circumstances as are herein stated.

INHERITANCE TAX CONFERENCE

A national conference on inheritance and estate taxation was held at the New Willard Hotel, Washington, February 19-20. More than thirty-two states were represented and the speakers were of national importance. Following the opening address by Thomas W. Page, president of the National Tax Association and the roll call of states, President Coolidge addressed the assembly.

Among the well known authorities on tax-

tion who were heard on this and the succeeding day were Thomas S. Adams, Professor of Political Economy at Yale, Charles J. Bullock, Professor of Economics at Harvard, and Edwin R. A. Seligman, McVickar Professor of Political Economy at Columbia.

In commenting on the effects of excessive tax rates, Charles S. Dewey, Assistant Secretary of the United States Treasury, said among other things:

"Productive capital cannot run away and seek the protection of the more moderate laws of some friendly state. It must stay where conditions are most beneficial for its particular type of endeavor and bear the brunt of whatever comes."

"This type of capital is the foundation of all business. Without capital, just as without labor, no commerce, manufactures, mining, or agriculture can even begin, much less continue. Even governments cannot function without the existence of capital — they being dependent upon taxes. It is essential therefore in levying taxes to raise revenue, that we do not destroy the sources from which that revenue is derived. The old fable of the goose that laid the golden egg was never truer than it is today."

"The United States, as Secretary Mellon has said, is no mere happy accident. What we have has been achieved by courage and hard work. The spirit of business adventure has built up in this country a civilization which offers unprecedented rewards to any man who is willing to work. But where the Government takes away an unreasonable share of his earnings, the incentive to work is no longer there and a slackening of effort is the result."

"There is no question of the fact that we must reform the tax system in such a way that business and industry shall not be hampered in their normal, healthy development. But most important of all we must make sure that American citizens shall not be deprived of the incentive to work and accumulate and that this country shall not cease to be a land of opportunity. A tax system which penalizes the creative spirit and discourages initiative cannot be the right system for America."

Out of the conference there seems to have come a marked sentiment favoring abolition of the Federal tax and it is expected that developments of interest will result.

The Association was represented at the conference by Professor Fairchild of Yale, its taxation advisor.

SALES EXCHANGE

In this department members may list without charge any new or used equipment or supplies. All copy must be in the hands of the editor by the fifteenth day of the month preceding publication.

FOR SALE			WIDTH	THICK	WEIGHT	QUALITY
3/8" Bevelled edge hame slip steel	9,864 lbs.		9/16	.010	39	coil 1/4 hard
.012 x 5" C.R.S.—coils soft temp.	84 "		1-1/16	.010	24	" soft
.015 x 1/2" Band steel coils	610 "		1-1/2	.010	400	" 1/4 hard
.016 x 3/4" C.R.S.	65 "	x-4-B	1"	.010	463	" 1/4 "
" x 7/8" "	705 "	x-4-B	1-3/4	.010	951	" 1/4 "
" x 1-9/16" "	486 "	x-5-B	1-7/8	.010	1472	" 1/4 "
" x 1-11/16" "	53 "	x-4-B	7/8	.010	1164	" 1/4 "
.018 x 5/8" "	632 "	"	2-1/16	.010	596	" soft
" x 13/16" "	36 "	"	2-3/16	.010	353	" "
" x 1-1/4" "	123 "	x-5-B	5/8	.011	390	" "
" x 1-1/4" "	70 "	x-4-B	1-1/8	.014	1125	" "
" x 1-5/8" "	140 "	"	11/16	.015	1110	" 1/4 hard
" x 1-7/16" "	87 "	"	11/16	.015	450	lengths
" x 1-5/8" "	266 "	strips	1-1/4	.015	1394	coil 1/4 hard
" x 1-11/16" "	412 "	coils x-3-B	15/16	.015	1001	" "
" x 1-11/16" "	158 "	x-4-B	15/16	.015	450	lengths
" x 1-3/4" "	970 "	"	1-1/16	.015	1057	coil 1/4 hard
" x 1-7/8" "	877 "	"	1-1/16	.015	450	lengths
.020 x 5/16" "	730 "	"	1/2	.015	523	coil 1/4 hard
" x 1-13/16" "	112 "	"	3-3/16	.021	475	lengths
" x 2-3/8" "	216 "	"	2-1/8	.022	55	coil soft
" x 6-1/8" "	203 "	"	9/16	.022	13	" 1/4 hard
.022 x 2-5/16" "	52 "	"	3/4	.022	9	" soft
.025 x 5/8" "	375 "	"	Address S. E. 104			
" x 41/64" "	184 "	x-4-B				
" x 13/16" "	330 "	"				
" x 7/8" "	382 "	"				
" x 15/16" "	143 "	"				
" x 1" "	70 "	"				
" x 1-1/16" "	173 "	"				
" x 1-3/16" "	34 "	"				
" x 1-9/16" "	688 "	"				
" x 2-1/16" "	72 "	"				
Address S. E. 102B.						

Cold rolled steel strip.

WIDTH	THICK	WEIGHT	QUALITY
1-5/16	.007	513	coil 1/4 hard
1"	.008	35	" " "
2-3/4	.008	66	" soft
1-7/16	.008	350	" "

Address S. E. 104

1—#7 Economy case-hardening furnace complete with burner. Can easily be loaded on truck at plant. Price when new \$420. Our price \$150.
Address S. E. 105.

FACTORY SPACE FOR SALE

100 horse power water privilege fully developed and in running order in a two story and basement frame, structure 32 by 90 feet. Location convenient to railroad and to Hartford and New York boat line. Opportunity for a small manufacturer or for development by large interests. More water power available.

Address S. E. 106.

EMPLOYMENT SERVICE

This department is open to all members without charge. All copy must be in the hands of the editor by the fifteenth day of the month preceding publication.

FACTORY MAN—College graduate, 29 years old, married. Two years with Hartford factory part of the time in production work. Experience in employment and welfare work. Address P. W. 156.

SHOP SUPERINTENDENT—Twelve years' experience with manufacturer of industrial trucks, tractors, etc., part of that time as superintendent. Experienced also as tool-maker and machinist. Curtailment of personnel necessitates new employment. Address P. W. 150.

PURCHASING AGENT—University graduate. Practising chemist 20 years. Conducted own job plating and manufacturing business for 2 years. Experienced in purchase of laboratory and factory supplies. Address P. W. 151.

SUPERINTENDENT—Twenty years' experience in tool and machine design and construction, about fifteen of which was with Connecticut concerns as foreman, superintendent or in supervising building of special machinery, etc. Available at once. Address P. W. 152.

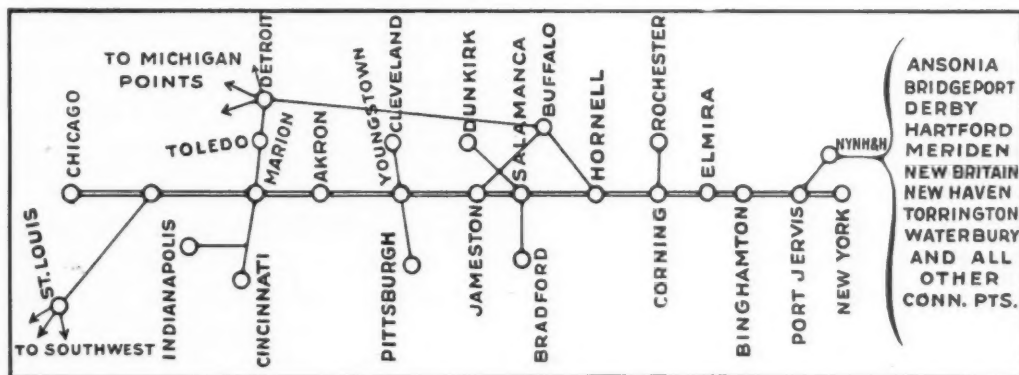
BOOKKEEPER AND OFFICE MANAGER—Age 35, married. Experience in sales department, pay office, invoice department of commercial concerns; one year in railroad manifest department, yeoman in Navy Department detailed to establish central office system; one year charting production work and compiling statistics for Connecticut concern. Address P. W. 153.

SALESMAN—Age 35, married. Several years' experience with western lumber concern and furniture manufacturers; also with adding machine company in middle-western territory. Address P. W. 155.

PRODUCTION MANAGER—Member American Society of Civil Engineers. Early training in railroad and terminal engineering and contracting. 12 years with Connecticut metal manufacturing concerns on work which included construction, maintenance, salvage, production supervision, liquidation of inventories, etc. Present desire for position due to changed business conditions. Address P. W. 110.

ERIE RAILROAD

"THE GREAT FREIGHT HIGHWAY"



Dependable Service To All Points West

VIA BUFFALO, CHICAGO, CINCINNATI & ST. LOUIS GATEWAYS

24 hours saved

ON "LESS THAN CARLOAD" FREIGHT FROM CONNECTICUT POINTS

Through package cars are loaded from all important stations in Connecticut to Port Jervis Transfer, via New York, New Haven & Hartford Railroad to Maybrook, where direct connection is made with the ERIE RAILROAD. Port Jervis Transfer is operated at night and freight is forwarded in through cars early each morning in fast manifest trains to Akron, Buffalo, Chicago, Cincinnati, Cleveland, Detroit, Indianapolis, Rochester, St. Louis, Youngstown, as well as local stations.

Mark Your Freight

Via ERIE RAILROAD

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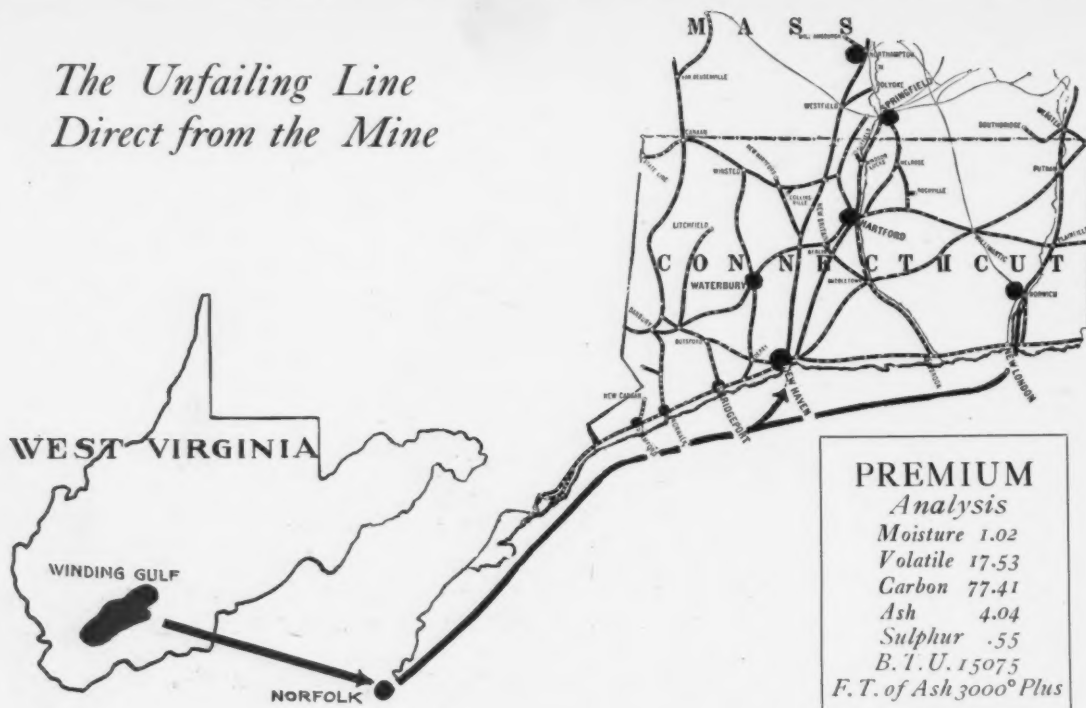
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